

"The experience of General Electric, known as the most computerized company in the world, is pertinent. GE first decided to convert payroll alone, believing that savings would be possible because of increased speed. But its estimate--based on theoretical machine speed--that the job could be done in 2 hours did not take into account that the data had to be put in and taken out, that there was a limit to what the machine could take and digest. Running time at the start was 36 hours, rather than 2, and even after time-consuming debugging, the process still took 16 hours a week--but with a lot of additional material tied in. Instead of a simple conversion of payroll, GE developed an integrated system that not only produces weekly paychecks, but also supplies complete accounting on labor and labor cost of each item, records for social security reporting, and other data.

The GE story underscores the point that mere conversion of an operation not only is usually uneconomical but often fails to utilize the real potential of ADP equipment. It also demonstrates that the volume of paperwork usually must be big enough and complicated enough to make automation pay its way, a fact that may make sophisticated systems impractical for the majority of Federal agencies--since most have relatively few employees."